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Report of the external auditor for the financial period 2009-2010, with financial statements of the International Tribunal for the Law of the Sea as at 31 December 2010

(Presented by the Tribunal)

1. BDO Warentreuhand Aktiengesellschaft (hereinafter "the Auditor") audited the financial statements of the Tribunal for the financial period from 1 January 2009 to 31 December 2010 in February 2011 and submitted its report on 8 March 2011 (see annex I). An audit of certain aspects of the Tribunal's operational procedures was also undertaken by the Auditor, as indicated in the letter of engagement of 15 March 2010, signed by the Registrar (see annex II).

2. It is noted from the report that the Auditor was of the view that the financial statements complied with the Financial Regulations and Rules of the Tribunal and gave a true and fair view of the net assets, financial position and results of operations of the Tribunal. The Auditor also noted that the accounting principles were applied on a basis consistent with that of the preceding financial period. The Auditor further stated that transactions were in accordance with the Financial Regulations and Rules of the Tribunal and legislative authority. The audit report was issued without any reservation.

3. Financial regulation 12.8 stipulates that "the Tribunal shall examine the financial statements and the audit reports and shall forward them to the Meeting of States Parties, with such comments as it deems appropriate".

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Annex I

Report of the external auditor for the financial period 2009-2010, with financial statements of the International Tribunal for the Law of the Sea as at 31 December 2010

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I. Audit engagement

At the eighteenth Meeting of States Parties to the United Nations Convention on the Law of the Sea, held from 13 to 20 June 2008, we were appointed as auditors of the International Tribunal for the Law of the Sea, Hamburg (hereinafter also referred to as the "Tribunal") for the financial period from 1 January 2009 to 31 December 2010. Thereupon, the Registrar of the Tribunal engaged us to audit the financial statements, including the bookkeeping, of the Tribunal for the period from 1 January 2009 to 31 December 2010, in accordance with the Financial Regulations and Rules of the Tribunal and with Section 317 et seqq. HGB ("Handelsgesetzbuch": German Commercial Code).

Within the scope, we have additionally audited certain aspects of operating procedures for the financial period from 1 January 2009 to 31 December 2010 as requested by the Tribunal. The additional audit scope included the following:

(a) Whether the expenses incurred during this financial period are in accordance with the appropriations approved by the Meeting of States Parties;

(b) Whether expenditures incurred have been properly authorized by the party designated for that purpose in the Rules of the Tribunal or the Financial Regulations and Rules of the Tribunal;

(c) Whether staff and persons being paid by the Tribunal have been recruited or engaged in the manner provided for in the Rules of the Tribunal or the Staff Regulations and Rules of the Tribunal;

(d) Whether goods and services have been procured in accordance with the procedures provided for in the Financial Regulations and Rules of the Tribunal;

(e) Whether goods and services which have been procured are necessary or not excessive, having regard to circumstances and the functions of the Tribunal;

(f) Whether the grants given to the Tribunal by the Korea International Cooperation Agency of the Republic of Korea (KOICA) and the Nippon Foundation and the Trust Fund for the Law of the Sea maintained in separate trustee accounts are administered in accordance with the relevant memorandums and terms of reference.

We confirm that we observed the applicable regulations regarding independence upon auditing the financial statements in accordance with Section 321, para. 4a, HGB.

The present audit report was only prepared for purposes of documenting the audit performed vis-à-vis the Tribunal and not for purposes of third parties.

We prepared the present audit report in accordance with the German generally accepted standards for reporting on the audits of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland e. V. (Institute of Public Auditors in Germany), Düsseldorf (IDW AuS 450).

The performance of the audit and our responsibility — also towards third parties — are governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften as amended on 1 January 2002 and by our special conditions for the increase of liability in the scope of the General Engagement Terms dated 1 January 2002, as set out in appendix VI. The increase in liability does

not apply if a lesser liability limit for a professional service is specified by statutory provisions, particularly with respect to an audit required by law. In this case, the statutory limitation of liability must prevail.

II. Subject, type and scope of the audit

A. Subject of the audit

The subject of our audit included the accounting and the financial statements, which comprise the statement of income, expenditures and changes in reserves and fund balances, the statement of assets, liabilities, reserves and fund balances, the statement of cash flows, notes to the financial statements and the financial report of the Registrar, prepared in accordance with the Financial Regulations and Rules of the Tribunal.

In addition, we examined certain aspects of operating procedures, including the administration of the KOICA Grant, the Nippon Foundation Grant and the Trust Fund for the Law of the Sea, as requested by the Tribunal.

The legal representatives of the Tribunal are responsible for the accounting and the information provided to us. Our responsibility is to evaluate those documents in the scope of our audit, thereby including the bookkeeping and the information provided to us.

B. Type and scope of the audit

We conducted the audit in accordance with the Financial Regulations and Rules of the Tribunal and with Section 317 et seqq. HGB and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland e. V., Düsseldorf. Those standards require that we plan and perform the audit in a way that misstatements and violations materially affecting the presentation of net assets, financial position and results of operations in the financial statements are detected with reasonable assurance.

Our risk-based audit approach, which also complies with international auditing standards, is based on the development of an audit strategy. The risk analysis required therefore is based on the assessment of the position, the business risks and environment and the accounting-related internal control system of the Tribunal.

Upon evaluating the risk of material misstatements in the financial statements, we assessed risks on both the financial statements' level (general risks) and the assertions' level (specific risks) and determined a risk profile. This also served for assessing significant risks that require special consideration during the audit and risks for which substantive procedures alone do not provide sufficient appropriate audit evidence.

On the basis of our risk assessment, we determined the relevant audit areas and criteria (audit objectives) as well as key aspects of the audit and developed audit programmes.

The audit procedures for obtaining audit evidence comprised tests of controls, substantive analytical procedures and other substantive procedures.

We made the following items key aspects of our audit:

- Cash and term deposits
- Contribution receivables from States Parties
- Accounts receivable — others
- Contributions received in advance
- Surrender of savings from prior years
- Obligations current period
- Reserves and fund balances
- Assessed contributions
- Major expenditures

Upon assessment of the accounting-related internal control system, we evaluated the proper design and implementation of the accounting-related controls.

The insights gained upon the assessment of the accounting-related internal control system were used for assessing the risks of material misstatements in the financial statements and for selection of the nature, extent and timing of the analytical audit procedures and tests of the details to be performed for the individual audit objectives.

The other substantive procedures were performed on a sample basis. We determine these sample tests depending on our findings regarding the accounting-related internal control system and the nature and extent of each transaction to be assessed.

In the scope of the other substantive audit procedures we obtained balance confirmations from the banks of the Tribunal.

We performed the audit in May 2010 (interim audit) and in February 2011 until 14 February 2011.

The Registrar of the Tribunal provided all requested disclosures and information and confirmed their completeness and the completeness of bookkeeping and financial statements in a written letter of representation dated 14 February 2011.

III. Accounting-related findings and explanations

A. Truth and fairness of accounting

1. Bookkeeping and other audited documents

We found that the bookkeeping complies with the Financial Regulations and Rules of the Tribunal. The information taken from the other audited documents are properly shown in the bookkeeping and financial statements.

2. Financial statements

The audited financial statements for the period from 1 January 2009 to 31 December 2010 are set out in appendix I. In our opinion and on the basis of our

audit-related findings, they comply with the Financial Regulations and Rules of the Tribunal.

The statement of income, expenditures and changes in reserves and fund balances, the statement of assets, liabilities, reserves and fund balances and the statement of cash flows were properly derived from the books and the other audited documents. The opening balance sheet figures were properly carried over from the prior year's financial statements. The recognition, presentation and valuation regulations applicable for the Tribunal were adhered to. The notes on the financial statements include all required disclosures and explanations as well as additional requirements. The financial report is consistent with the financial statements.

B. Overall conclusion of the financial statements

1. Material measurement bases

The accounting methods are explained in the notes on the financial statements (see appendix I).

Based on our examination, the accounting principles used by the Tribunal were applied on a basis consistent with that of the preceding financial period.

We point out that, consistent with the prior financial periods, expenditures are accounted for on an accrual basis except for those relating to staff entitlements and pension obligations for the judges of the Tribunal, which are accounted for on a cash basis. Therefore, no provisions are made for any future liabilities arising from staff entitlements due to repatriation, accumulated leave, compensatory time and pension to judges in the financial statements of the Tribunal. These liabilities are disclosed as contingent liabilities in the notes on the financial statements.

2. Findings regarding the overall conclusion of the financial statements

We found that, as a whole, the financial statements give a true and fair view of the Tribunal's net assets, financial position and results of operations in accordance with the Financial Regulations and Rules of the Tribunal.

IV. Statements on the additional audit scope

The examination of the operational procedures including the administration of the KOICA Grant, the Nippon Foundation Grant and the Trust Fund for the Law of the Sea did not lead to any reservation. We refer to our audit procedures and explanations in appendix V.

V. Repetition of the auditor's report

We issued the following unqualified auditor's report to the financial statements of the International Tribunal for the Law of the Sea, Hamburg, for the period from 1 January 2009 to 31 December 2010 signed in Lübeck on 14 February 2011, as set out in appendix I (financial statements):

"Auditor's report

To the International Tribunal for the Law of the Sea

We have audited the financial statements (consisting of the statement of income, expenditures and changes in reserves and fund balances, statement of assets, liabilities, reserves and fund balances, statement of cash flows, notes on the financial statements and financial report of the Registrar) together with the bookkeeping system of the International Tribunal for the Law of the Sea, Hamburg, for the financial period from 1 January 2009 to 31 December 2010. The maintenance of the books and records and the preparation of the financial statements pursuant to the Financial Regulations and Rules of the International Tribunal for the Law of the Sea are the responsibility of the Registrar. Our responsibility is to express an opinion on the financial statements, together with the bookkeeping system, based on our audit.

We conducted our audit of the financial statements in accordance with the Financial Regulations and Rules of the International Tribunal for the Law of the Sea and with Section 317 HGB ("Handelsgesetzbuch": German Commercial Code) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the financial statements in accordance with the Financial Regulations and Rules of the International Tribunal for the Law of the Sea are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the International Tribunal for the Law of the Sea and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting related internal control system and the evidence supporting the disclosures in the books and records and the financial statements are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Registrar, as well as evaluating the overall presentation of the financial statements. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the financial statements comply with the Financial Regulations and Rules of the International Tribunal for the Law of the Sea and give a true and fair view of the net assets, financial position and results of operations of the International Tribunal for the Law of the Sea. The accounting principles were applied on a basis consistent with that of the preceding financial period. Transactions were in accordance with the Financial Regulations and Rules of the International Tribunal for the Law of the Sea and legislative authority."

We issued the aforestated report on the audit of the financial period from 1 January 2009 to 31 December 2010 of the International Tribunal for the Law of the Sea in accordance with the legal regulations and German generally accepted standards for reporting on audits of financial statements.

Lübeck, 14 February 2011

BDO AG
Wirtschaftsprüfungsgesellschaft

(*Signed*) (Beecker)
Wirtschaftsprüfe
(German Public Auditor)

(*Signed*) (Herbers)
Wirtschaftsprüfer
(German Public Auditor)

Appendix I

International Tribunal for the Law of the Sea, Hamburg

Statement of income, expenditures and changes in reserves and fund balances for the period from 1 January 2009 to 31 December 2010

	Note	2009-2010 (in euros)	2007-2008 (in euros)
Income			
Assessed contributions (appendix III)	3	17 515 100	17 214 700
Other income			
Savings due to cancellation of prior period obligations		72 713	107 160
Gains and losses on exchange		-6 013	7 436
Miscellaneous income		4 420	9 735
Interest income		94 763	412 671
Total income		**17 680 983**	**17 751 702**
Expenditures	4		
Total expenditures and obligations (appendix II)		(15 829 392)	(14 738 033)
Excess of income over expenditures		**1 851 591**	**3 013 669**
Reserve to finance additional appropriation (SPLOS/200)		207 450	—
Final excess of income over expenditures		**2 059 041**	**3 013 669**
Movement in reserves			
Release of 2007-2008 reserves		(207 450)	—
Surrender to States parties in 2009-2010		(2 697 836)	(1 858 725)
Total in movement in reserves		**-846 245**	**1 154 944**
Fund balances at the beginning of financial period		4 994 176	3 839 232
Fund balances as at 31 December 2010		**4 147 931**	**4 994 176**

International Tribunal for the Law of the Sea, Hamburg

Statement of assets, liabilities, reserves and fund balances

	Note	*2009-2010 (in euros)*	*2007-2008 (in euros)*
Assets			
Cash and term deposits		8 301 309	7 362 182
Contributions receivable from States parties		474 332	469 987
Tax reimbursements due		134 307	156 511
Accounts receivable — others	6	340 276	285 279
Total assets		**9 250 224**	**8 273 959**
Liabilities	7		
Contributions received in advance		2 089 358	1 538 717
Surrender of savings from prior years		1 921 767	1 232 340
Obligations current period		912 538	470 133
Staff assessment special account		38 593	38 593
Accounts payable		140 037	0
Total liabilities		**5 102 293**	**3 279 783**
Net assets		**4 147 931**	**4 994 176**
Reserves and fund balances	8		
Working Capital Fund		959 132	959 132
Prior period gains reserve		1 129 758	1 021 375
Final excess of income over expenditures		2 059 041	3 013 669
Total reserves and fund balances		**4 147 931**	**4 994 176**
Total reserves		**4 147 931**	**4 994 176**

International Tribunal for the Law of the Sea, Hamburg

Statement of cash flows for the biennium 2009-2010

	2009-2010 (in euros)	*2007-2008 (in euros)*
Cash flows from operating activities		
Net excess (shortfall) of income over expenditures	1 851 591	3 013 669
(Increase) decrease in contributions receivable	(4 345)	1 382 545
(Increase) decrease in tax reimbursements due	22 204	(2 395)
(Increase) decrease in other accounts receivable	(54 997)	(103 377)
Increase (decrease) in obligations current period	442 405	(164 053)
Increase (decrease) in Korea Fund	—	(177)
Increase (decrease) in contributions received in advance	550 641	258 491
Increase (decrease) in accounts payable	140 037	—
Less: interest income	(94 763)	(412 671)
Net cash from operating activities	**2 852 773**	**3 972 032**
Cash flows from investing and financing activities		
Plus: interest income	94 763	412 671
Net cash from operating, investing and financing activities	**2 947 536**	**4 384 703**
Cash flows from other sources		
Increase (decrease) in working capital fund	—	—
Increase (decrease) in prior period gains reserve	(2 697 836)	(1 858 725)
Increase (decrease) in surrender of savings from prior years	689 427	919 656
Net increase (decrease) in cash and term deposits	**939 127**	**3 445 634**
Cash and term deposits at beginning of period	**7 362 182**	**3 916 548**
Cash and term deposits at end of period	**8 301 309**	**7 362 182**

International Tribunal for the Law of the Sea, Hamburg

Notes to the financial statements for the period from 1 January 2009 to 31 December 2010

Note 1
Statement of the objectives and activities of the Tribunal

The International Tribunal for the Law of the Sea (the Tribunal) is an international judicial body established by the United Nations Convention on the Law of the Sea ("the Convention") to adjudicate disputes arising out of the interpretation or application of the Convention. It began its activities in 1996. The Tribunal is open to States parties to the Convention and, in certain cases, to entities other than States parties (such as international organizations and natural or juridical persons). The jurisdiction of the Tribunal comprises all disputes submitted to it in accordance with the Convention. It also extends to all matters specifically provided for in any other agreement which confers jurisdiction upon the Tribunal. The Tribunal is composed of 21 independent members elected by the States parties to the Convention. It is assisted by a Registry consisting of 37 staff members.

Note 2
Summary of significant accounting policies

On 12 June 2003, the thirteenth Meeting of States Parties adopted the Financial Regulations of the Tribunal and decided that they should become effective on 1 January 2004 and apply to the financial period 2005-2006 and subsequent financial periods (SPLOS/100). Pursuant to financial regulation 10.1 (a), the Tribunal adopted its Financial Rules in 2004. The States parties took note of the Financial Rules at their fourteenth Meeting. The Financial Rules became effective on 1 January 2005.

Financial period

Pursuant to financial regulation 2, the financial period which is the subject of the present report is the two-year period from 1 January 2009 to 31 December 2010.

Currency of accounts

Pursuant to financial regulation 11.2, the presentation currency is the euro. The accounting records are also maintained in euros.

Foreign currency transactions

Transactions in currencies other than the euro are converted into the euro using the United Nations operational rates of exchange, except for assessed contributions paid in United States dollars. For the conversion of the United States dollar contributions into euros, use is made of the most favourable rate of exchange available to the Tribunal on the date of the payment, in accordance with financial rule 105.2.

The differences in exchange rates between the dates of recording and settling transactions are recorded in the statement of income, expenditures and changes in reserves and fund balances as gains or losses on exchange.

Assets and liabilities in currencies other than the euro are revalued at the end of the financial period at the prevailing United Nations operational rates of exchange. The revaluation amounts are recorded in the statement of income, expenditures and changes in reserves and fund balances as gains or losses on exchange.

Income

Income consists of assessed contributions from the States parties. Contributions for the two-year financial period are assessed as 50 per cent in year one and 50 per cent in year two. All other income received by the Tribunal is classified as miscellaneous income and is included as general resources (see note 3).

Expenditures

All the expenditures of the Tribunal are recorded against allocated lines of budgetary appropriation.

Expenditures of the Tribunal are accounted for on an accrual basis, except for those relating to staff entitlements, which are accounted for on the basis of cash disbursements. No provision is made for any future liabilities arising from staff entitlements due to repatriation, accumulated annual leave and compensatory time and pension entitlements for the members of the Tribunal (see note 5).

Assets and liabilities

All funds received are deposited into the Tribunal's bank accounts, including those under special account arrangements, and are reflected as cash holdings. Non-expendable equipment (especially computer hardware and software) is not included in the assets but is charged against the current appropriations when acquired. A separate listing of non-expendable equipment is maintained for control purposes. Assets are valued at nominal value. Liabilities are valued at the repayment amount.

Working Capital Fund

The eighth Meeting of States Parties, held in 1998, authorized the establishment of a working capital fund to ensure continuity of operation in the event of temporary shortfalls in funds, and to provide the Tribunal with the necessary financial means to dispose of cases, in particular those involving urgent proceedings.

For the purposes of the Tribunal, an amount of approximately 8 per cent of its annual budget (4 per cent of its biennial budget) is considered appropriate in line with United Nations practice. The current amount available to the Tribunal is €542,118, which was converted from $650,000 in November 2005, in accordance with the Financial Regulations of the Tribunal.

The current level of €542,118 represents 2.658 per cent of the approved budget of the Tribunal for 2011-2012. An adequate level in the Working Capital Fund would be €815,944 (4 per cent of the biennial budget). However, to minimize increases in the 2011-2012 budget, it was not proposed to increase the Working Capital Fund in 2010.

In addition to the $650,000 referred to above, the twelfth Meeting of States Parties, held in 2002, approved, on an exceptional basis, the appropriation of

$500,000 (being part of the savings from the financial period 2001) to the Working Capital Fund of the Tribunal, in order to provide the Tribunal with the necessary financial means, in the event of temporary shortfalls in funds, to deal with cases whenever the cost could not be met from case-related costs or from the transfer of funds between appropriation sections (SPLOS/L.28). This amount was converted into €417,014 in November 2005 in accordance with the Financial Regulations of the Tribunal.

The Working Capital Fund currently stands at €959,132.

Note 3
Income

The Tribunal's income in the financial period 2009-2010 totalled €17,680,983.

Income includes contributions from 161 States parties (including the European Union) totalling €17,515,100, and other net income from different sources.

Total income also includes:

(a) Interest income of €94,763 earned on deposit accounts;

(b) Savings due to the cancellation of prior period obligations, in the amount of €72,713;

(c) A net loss of €6,013 from gains and losses on exchange resulting from foreign currency transactions and revaluations of foreign currency account balances;

(d) Net miscellaneous income of €4,420, which includes sales of the Tribunal's ties/scarves/pins, compensation for an insurance claim, prior period adjustments and refunds from the water supplier.

Note 4
Expenditure

The budget for the financial period 2009-2010, in the amount of €17,515,100, was approved by the eighteenth Meeting of States Parties, held in June 2008 (SPLOS/180). In addition, the nineteenth Meeting of States Parties authorized the Tribunal to use part of the cash surplus from the 2007-2008 budget to finance an additional appropriation (€207,450) to implement the new salary system for the members of the Tribunal for the period July 2009 to December 2010 (SPLOS/200).

Budget estimates for staff salaries and judges' allowances were based on the United States dollar to euro exchange rate of 0.661 in March 2008. By the end of the financial period, the exchange rate between the United States dollar and the euro was 0.761. This represents a decrease of 13.14 per cent in the value of the euro against the United States dollar. However, this had no significant impact on the expenditure of the Tribunal, since most expenditures were made in euros, and payments to judges and staff members were subject to an adjustment mechanism that has the effect of absorbing the fluctuations of the United States dollar against the euro.

Expenditure for the financial period 2009-2010 totalled €15,829,392.

The total expenditure recorded in section 1, "Judges", amounts to €4,464,146.

This amount exceeds the initial appropriation of €4,433,400 for section 1, "Judges", by €30,746. Overruns occurred in the budget lines "annual allowance"

(€10,036) and "judges' pension scheme" (€44,005). However, out of the overruns, totalling €54,041, an amount of €23,295 was absorbed by the redeployment of appropriations in the section "Judges", and the remainder of €30,746 was financed from the additional appropriation in the amount of €160,395 allocated to section 1, "Judges", on the basis of the decision adopted by the Meeting of States Parties in 2009 (see SPLOS/200). As a result, that section shows a final balance of €129,649. The remaining part of the additional appropriation, in the amount of €47,055, was allocated to section 10, "Judges", under part C, "Case-related costs". A small overrun in the budget line "common staff costs", under section 2, "staff costs" (€8,133), was absorbed by the redeployment of the appropriation within the same section.

Note 5
Contingent liability

A net contingent liability for staff benefits at 31 December 2010, amounting to €467,338, consists of the following:

Contingent liability	*Amount (in euros)*
Accumulated annual leave	240 322
Entitlement due to repatriation	227 016
Total	**467 338**

All contingent expenditures will be charged against the budget appropriations in the period when actual payments are made. A record of all commitments for future periods, which are to constitute the first charges against relevant appropriations once these are approved by the Meeting of States Parties, is maintained in the financial statements. In accordance with the Staff Regulations and Rules of the Tribunal, the contingent liability reflected above is based on net remuneration.

In addition to the above contingent liabilities, there is a liability for pension plan costs for the elected members of the Tribunal. However, these expenditures are charged against the budget appropriations in the period when actual payments are made.

Note 6
Accounts receivable

Contributions receivable from States parties as at 31 December 2010 total €474,332, as detailed below. The amount overdue for more than one financial period totals €178,090. The amount overdue from assessed contributions for the financial period 2009-2010 totals €296,242. As can be seen from the table below, the Tribunal had intensified its collection efforts, resulting in a significant reduction in overdue balances with respect to the financial periods 1996/97 to 2007-2008. The amount of outstanding contributions for the financial periods 1996/97 to 2007-2008 currently stands at €178,090, compared with €469,987 at the end of the last financial period.

Year of assessment	*31 December 2010 amount (in euros)*	*31 December 2008 amount (in euros)*
1996/97	6 692	17 260
1998	2 393	7 220
1999	3 673	6 541
2000	9 216	16 800
2001	11 430	23 045
2002	11 687	27 854
2003	8 460	18 906
2004	7 824	18 221
2005	17 460	42 700
2006	27 997	58 691
2007	34 057	71 618
2008	37 201	161 131
2009	42 561	—
2010	253 681	—
Total	**474 332**	**469 987**

"Tax reimbursements due", amounting to €134,307, represent mainly refunds of value added tax.

"Accounts receivable — others", amounting to €340,276, include travel advances paid in connection with cases Nos. 17 and 18 in December 2010, amounts due from staff or from the German authorities (Premises Agreement) and some minor miscellaneous charges.

Note 7
Liabilities

The liabilities of the Tribunal as at 31 December 2010 include:

(a) Contributions received in advance from States parties for the budget period 2011-2012 (€2,089,358);

(b) Remaining cash surplus from the 2005-2006 financial period, amounting to €4,331, which will be surrendered once the States parties concerned have contributed in full for the financial period 2005-2006 (SPLOS/180);

(c) Savings amounting to €3,736 from the 2007-2008 financial period, which will be surrendered once the States parties concerned have contributed in full to the financial period 2007-2008 (SPLOS/203);

(d) Savings amounting to €1,913,700 from the 2007-2008 financial period, which were surrendered in 2010 and deducted from the contributions of the States parties to the 2011 budget (SPLOS/217);

(e) Obligations arising from goods and services procured in the financial period 2009-2010 (€912,538);

(f) Staff assessment special account maintained for the purpose of reimbursing national taxes (€38,593);

(g) Payable accounts totalling €140,037.

Note 8
Funds and reserves

The Working Capital Fund currently stands at €959,132. This corresponds to the equivalent euro amount envisaged in the decision of the eleventh Meeting of States Parties (SPLOS/70). As reported to the Meeting of States Parties in June 2006, this sum was converted from $1,150,000 to €959,132 on 8 November 2005.

The prior period gains and reserves totalling €1,129,758 represent excess income overexpenditures for the financial period 2005-2006 of €1,021,375 and for the financial period 2007-2008 of €108,383.

The initial reserve balance at 1 January 2009 was €3,013,669 (savings from the 2007-2008 budget). From this balance, an amount of €784,136 was surrendered and deducted from the assessed contributions of the States parties for 2010, in accordance with the decision of the Meeting of States Parties held in June 2009 (SPLOS/203).

Following an interim audit, which confirmed the final cash surplus in February 2010, a further amount of €1,913,700 was surrendered in accordance with the decision of the Meeting of States Parties adopted in June 2010. This amount was deducted from the 2011 assessed contributions (SPLOS/217).

An additional provision in the amount of €207,450 to cover the increment on expenditure resulting from the new salary system for the members of the Tribunal for the period July 2009 to December 2010, in accordance with the decision of the Meeting of States Parties (see SPLOS/200, para. 3), was taken from the reserves.

International Tribunal for the Law of the Sea, Hamburg

Financial report for the period from 1 January 2009 to 31 December 2010

Introduction

1. The Registrar of the International Tribunal for the Law of the Sea submits herewith the financial report for the period 1 January 2009 to 31 December 2010, being the eleventh financial period and report.

2. The financial report includes the statement on income, expenditures and changes in reserves and fund balances for the period from 1 January 2009 to 31 December 2010 (appendix I); the statement of assets, liabilities, reserves and fund balances as at 31 December 2010 (appendix I); the statement of cash flows for the biennium 2009-2010 (appendix I); the expenditure report for the period 2009-2010 (appendix II); and the status of contributions for the period 1996-2010 to the International Tribunal for the Law of the Sea (appendix III). Appendices I, II and III are provided in order to facilitate the review of the report by States parties. The statements are in compliance with the Tribunal's Financial Regulations and Rules

and are in line with formats agreed for the harmonization of the accounts of agencies and organizations in the United Nations Common System. The financial report shows the financial results of the Tribunal's activities in 2009 and 2010. Elements of particular importance are summarized in the paragraphs below.

3. The cash balance of €8,301,309 as at 31 December 2010 represents an increase compared with the 2008 year-end cash balance, which stood at €7,362,182. This result was due to an increase in the collection of contributions from States parties.

Income

4. Income in the financial period 2009-2010 included assessed contributions amounting to €17,515,100 from 161 States parties (including the European Union). Of the total amount of contributions for the financial period 2009-2010, €296,242 is outstanding as at 31 December 2010. The balance of unpaid contributions with respect to the overall budget of the Tribunal (1996/97 to 2009-2010) amounted to €474,332 on that date. In addition, other net income from various sources, such as interest income and the cancellation of prior period obligations after adjustments for exchange rate differences and miscellaneous losses, totalled €165,883.

5. With regard to the previous budgets of the Tribunal, the following amounts were still outstanding: €6,692 for 1996/97; €2,393 for 1998; €3,673 for 1999; €9,216 for 2000; €11,430 for 2001; €11,687 for 2002; €8,460 for 2003; €7,824 for 2004; €17,460 for 2005; €27,997 for 2006; €34,057 for 2007; and €37,201 for 2008. The balance of unpaid contributions with respect to the overall budgets of the Tribunal (1996/97 to 2009-2010) therefore amounts to €474,332. No provision for doubtful accounts receivable for the overdue balances is envisaged under the Tribunal's Financial Regulations and Rules.

Expenditure

6. The expenditures of the Tribunal for the financial period 2009-2010 totalled €15,829,392. The underperformance of the budget for the period (€17,722,550, including the additional appropriation of €207,450) can largely be attributed to optimum use of resources and the fact that, during the financial period 2009-2010, one urgent request for provisional measures in case No. 18 was submitted to the Tribunal, and a request for an advisory opinion (case No. 17) was filed before the Seabed Disputes Chamber, while the 2009-2010 budget made provision for proceedings in four urgent cases.

7. Under "Staff costs", savings amounting to €60,898 were made owing to vacant positions in the Registry during the period in question.

8. The performance rate of the 2009-2010 budget, including the additional appropriation, stands at 89.32 per cent. It is noted that if case-related costs are excluded, the performance rate for other costs would be 97.52 per cent.

Special accounts

9. In accordance with the decision of the Meeting of States Parties (SPLOS/98), the staff assessment accumulated in the special account as at 31 December 2003 was surrendered and deducted from the contributions of the States parties to the 2005 budget. An amount of €38,593 was set aside to reimburse members and officials of the Tribunal for national taxes charged in respect of remuneration paid by the

Tribunal in 2004 and subsequent years. Since the financial period 2009-2010, there has been no provision in the budgets of the Tribunal for that purpose. The special account will therefore be closed, and the amount of €38,593 will be surrendered to the States parties in accordance with the relevant provision of the Financial Regulations and Rules of the Tribunal.

10. In accordance with the decision of the Meeting of States Parties in June 2008 (SPLOS/203) and June 2010 (SPLOS/217), amounts of €784,136 and €1,913,700 from the 2007-2008 cash surplus were surrendered and deducted from the assessed contributions of the States parties for 2010 and 2011, respectively, in accordance with regulation 4 of the Financial Regulations of the Tribunal.

11. Following the signing of a memorandum of understanding between the Tribunal and the Korea International Cooperation Agency of the Republic of Korea (KOICA) on 9 March 2004, a trust fund, known as the KOICA Grant, was set up to support the Tribunal's internship programme and provide financial assistance for interns from developing countries.

12. The Grant was initially funded in the sum of $150,000 (converted into €120,600). In March 2006, the Tribunal received a further contribution amounting to $100,000 from KOICA, which was converted into €84,400. KOICA made several subsequent contributions to the Grant: in February 2007, €213,645; in May 2008, €128,400; and in June 2009, €80,000. At the beginning of the financial period 2009-2010 the total reserves of the fund amounted to €70,686. As at 31 December 2010, total reserves were down to €35,205. The audited financial statement for the KOICA Grant will be circulated at the Meeting of States Parties in June 2011.

13. The Nippon Foundation Grant was established in March 2007, following the signature of the Nippon Foundation Grant Agreement. Pursuant to the Agreement between the Tribunal and the Nippon Foundation, the Foundation contributed an amount of €200,000 to the Nippon Foundation, the International Tribunal for the Law of the Sea capacity-building and training programme on dispute settlement under the United Nations Convention on the Law of the Sea. In accordance with regulation 6.5 of the Financial Regulations of the Tribunal, a trust fund was subsequently established and a special euro bank account named "Nippon Foundation Grant" was set up with Deutsche Bank.

14. In March 2008, the Nippon Foundation made a second contribution to the Grant in the amount of €200,000, a third in the same amount in March 2009 and a fourth in the amount of €230,000 in March 2010. At the beginning of the financial period 2009-2010 the total reserves of the fund amounted to €140,123. As at 31 December 2010, the balance of total reserves was €208,142. The audited financial statement for the Nippon Foundation Grant will be circulated at the Meeting of States Parties in June 2011.

15. Pursuant to regulation 6.5 of its Financial Regulations, the Tribunal established a trust fund for the law of the sea in October 2009. The Trust Fund is intended to promote the advancement of human resources in developing countries in the law of the sea and maritime affairs in general. The first contribution to the Trust Fund, in the amount of €25,000, was made in 2010 by Korwind, a Hamburg-based Korean company working in the field of renewable energy. As at 31 December 2010, only bank charges in the amount of €131.89 have been recorded as expenditure.

Institutional arrangements

16. The financial records of the Tribunal have been maintained in the network version of the Sun computerized accounting system.

(*Signed*) Philippe Gautier
Registrar

Appendix II

International Tribunal for the Law of the Sea

Budget performance report for the period 2009-2010

(in euros)

	Part/ section	Objects of expenditure	2009-2010 Approved budget	Expenditure 2009	Expenditure 2010	Expenditure 2009-2010 Total	Balance	Additional appropriation 2009-2010[a]	Balance including additional appropriation	Total expenditure as a percentage of approved budget	
			(1)	(2)	(3)	(4) = (2)+(3)	(5) = (1) - (4)	(6)	(7) = (5) + (6)		
1	A	**Recurrent expenditure**									1
2	1	**Judges**	**4 433 400**	**2 170 982**	**2 293 164**	**4 464 146**	**-30 746**	**160 395**	**129 649**		2
3		Annual allowances	2 715 700	1 387 007	1 481 811	2 868 818	-153 118	143 082	-10 036	100.35	3
4		Special allowances	788 600	359 089	370 626	729 715	58 885	17 313	76 198	90.55	4
5		Travel to session	267 600	103 332	102 908	206 240	61 360	0	61 360	77.07	5
6		Judges' pension scheme	587 100	313 725	317 380	631 105	-44 005	0	-44 005	107.50	6
7		Common costs	74 400	7 829	20 439	28 268	46 132	0	46 132	37.99	7
8	2	**Staff costs**	**7 054 600**	**3 463 117**	**3 530 585**	**6 993 702**	**60 898**	**0**	**60 898**		8
9		Established posts	4 620 000	2 290 842	2 324 972	4 615 814	4 186	0	4 186	99.91	9
10		Common staff costs	1 991 900	998 466	1 001 567	2 000 033	-8 133	0	-8 133	100.41	10
11		Reimbursement of national taxes	0	0	0	0	0	0	0		11
12		Overtime	39 000	14 278	14 598	28 876	10 124	0	10 124	74.04	12
13		Temporary assistance for meetings	210 500	92 750	95 736	188 486	22 014	0	22 014	89.54	13
14		General temporary assistance	121 100	40 936	52 788	93 724	27 376	0	27 376	77.39	14
15		Training	72 100	25 845	40 924	66 769	5 331	0	5 331	92.61	15
16	3	**Representation allowance**	**10 000**	**5 483**	**5 744**	**11 227**	**-1 227**	**0**	**-1 227**	112.27	16
17	4	**Official travel**	**185 300**	**100 734**	**58 702**	**159 436**	**25 864**	**0**	**25 864**	86.04	17
18	5	**Hospitality**	**13 900**	**4 454**	**8 717**	**13 171**	**729**	**0**	**729**	94.76	18
19	6	**Operating expenditures**	**2 771 400**	**1 321 990**	**1 314 949**	**2 636 939**	**134 461**	**0**	**134 461**		19
20		Maintenance of premises (including security)	2 033 100	1 014 218	980 915	1 995 133	37 967	0	37 967	98.13	20
21		Rental and maintenance of equipment	361 400	159 637	164 957	324 594	36 806	0	36 806	89.82	21
22		Communications	197 200	74 500	88 173	162 673	34 527	0	34 527	82.49	22

Part/ section		Objects of expenditure	2009-2010 Approved budget	Expenditure 2009	2010	2009-2010 Total	Balance	Additional appropriation 2009-2010[a]	Balance including additional appropriation	Total expenditure as a percentage of approved budget	
			(1)	(2)	(3)	(4) = (2)+(3)	(5) = (1) - (4)	(6)	(7) = (5) + (6)		
23		Miscellaneous services and charges (including bank charges)	41 200	15 025	19 172	34 197	7 003	0	7 003	83.00	23
24		Supplies and materials	123 900	58 560	50 522	109 082	14 818	0	14 818	88.04	24
25		Special services (external audit)	14 600	50	11 210	11 260	3 340	0	3 340	77.12	25
26	7	**Library and related costs**	**327 000**	**131 652**	**172 837**	**304 489**	**22 511**	**0**	**22 511**		26
27		Library — procurement of books and publications	234 600	111 579	119 832	231 411	3 189	0	3 189	98.64	27
28		External printing and binding	92 400	20 073	53 005	73 078	19 322	0	19 322	79.09	28
29											29
30	B	**Non-recurrent expenditure**									30
31	8	Furniture and equipment									31
32		Purchase of equipment	**154 800**	**66 869**	**86 152**	**153 021**	**1 779**	**0**	**1 779**	98.85	32
33	9	Alteration to premises									33
34											34
35	C	**Case-related costs**	**2 564 700**	**29 575**	**1 063 686**	**1 093 261**		**47 055**	**47 055**		35
36	10	**Judges**	**1 983 800**	**28 249**	**762 717**	**790 966**	**1 192 834**	**47 055**	**1 239 889**		36
37		Special allowances	1 604 000	11 442	665 219	676 661	927 339	43 554	970 893	41.07	37
38		Compensation to judges ad hoc	96 700	1 879	0	1 879	94 821	3 501	98 322	1.88	38
39		Travel to meetings, including judges ad hoc	283 100	14 928	97 498	112 426	170 674	0	170 674	39.71	39
40	11	**Staff costs**	**580 900**	**1 326**	**300 969**	**302 295**	**278 605**	**0**	**278 605**		40
41		Temporary assistance for meetings	535 900	594	279 887	280 481	255 419	0	255 419	52.34	41
42		Overtime	45 000	732	21 082	21 814	23 186	0	23 186	48.48	42
43	12	**Miscellaneous**	**0**	**0**		**0**	**0**		**0**		43
44											44
45	D	**Working Capital Fund**	**0**	**0**		**0**	**0**		**0**		45
46											46
47		**Total**	**17 515 100**	**7 294 856**	**8 534 536**	**15 829 392**	**1 685 708**	**207 450**	**1 893 158**	**89.32**	47

[a] In accordance with SPLOS/200.

Appendix III

Status of 1996-2010 contributions to the International Tribunal for the Law of the Sea

(In euros)

31 December 2010

States parties	2010 Scale of assessments (percentage)	Contributions assessed				Collections	Contributions outstanding			
		Previous financial periods (1996-2006)	Last financial period 2007-2008	Current financial period 2009-2010[a]	Total[a]		Previous financial periods[a] (1996-2006)	Last financial period[a] (2007-2008)	Current financial period[a] (2009-2010)	Total[a] outstanding
Albania	0.0100	2 346	1 706	1 736	5 788	7 126	0	0	(1 338)	(1 338)
Algeria	0.1113	71 251	18 793	19 371	109 415	100 746	0	0	8 669	8 669
Angola	0.0100	6 744	1 706	1 736	10 186	11 513	0	0	(1 327)	(1 327)
Antigua and Barbuda	0.0100	5 088	1 706	1 736	8 530	8 529	0	0	1	1
Argentina	0.4257	767 304	151 684	74 067	993 055	993 060	0	0	(5)	(5)
Armenia	0.0100	2 601	1 706	1 736	6 043	6 043	0	0	0	0
Australia	2.3408	1 234 745	394 411	407 252	2 036 408	2 251 114	0	0	(214 706)	(214 706)
Austria	1.1619	727 410	204 023	202 144	1 133 577	1 133 595	0	0	(18)	(18)
Bahamas	0.0210	11 290	3 381	3 647	18 318	20 724	0	0	(2 407)	(2 407)
Bahrain	0.0432	16 921	7 356	7 520	31 797	31 795	0	0	2	2
Bangladesh	0.0131	4 659	2 338	2 279	9 276	7 520	0	0	1 755	1 755
Barbados	0.0118	7 167	2 225	2 051	11 443	12 265	0	0	(823)	(823)
Belarus	0.0262	995	4 436	4 558	9 989	8 026	0	0	1 963	1 963
Belgium	1.4435	737 543	253 691	251 142	1 242 376	1 242 398	0	0	(22)	(22)
Belize	0.0100	4 953	1 706	1 736	8 395	8 499	0	0	(104)	(104)
Benin	0.0100	4 445	1 706	1 736	7 887	4 658	0	1 494	1 736	3 230
Bolivia	0.0100	6 506	1 933	1 736	10 175	3 921	2 585	1 933	1 736	6 254
Bosnia and Herzegovina	0.0100	5 564	1 706	1 736	9 006	9 006	0	0	0	0
Botswana	0.0183	8 409	3 034	3 190	14 633	13 201	0	0	1 431	1 431
Brazil	1.1475	1 355 258	282 428	199 638	1 837 324	1 837 340	0	0	(16)	(16)
Brunei Darussalam	0.0341	21 465	7 039	5 926	34 430	37 393	0	0	(2 963)	(2 963)
Bulgaria	0.0262	18 622	4 316	4 558	27 496	27 497	0	0	(1)	(1)
Burkina Faso	0.0100	1 571	1 706	1 736	5 013	35	1 536	1 706	1 736	4 978
Cameroon	0.0118	8 265	1 985	2 051	12 301	7 452	812	1 985	2 051	4 848
Canada	3.8904	849 423	675 556	676 853	2 201 832	2 555 732	0	0	(353 900)	(353 900)

States parties	2010 Scale of assessments (percentage)	Contributions assessed: Previous financial periods (1996-2006)	Last financial period 2007-2008	Current financial period 2009-2010[a]	Total[a]	Collections	Contributions outstanding: Previous financial periods[a] (1996-2006)	Last financial period[a] (2007-2008)	Current financial period[a] (2009-2010)	Total[a] outstanding
Cape Verde	0.0100	5 022	1 706	1 736	8 464	8 302	0	0	162	162
Chad	0.0100	0	0	1 302	1 302	0	0	0	1 302	1 302
Chile	0.2109	130 195	45 080	36 691	211 966	211 967	0	0	(0)	(0)
China	3.4935	1 110 061	549 891	607 800	2 267 752	2 633 213	0	0	(365 461)	(365 461)
Comoros	0.0100	4 953	1 706	1 736	8 395	94	4 859	1 706	1 736	8 301
Congo	0.0100	0	426	1 736	2 162	1 310	0	0	853	853
Cook Islands[c]	0.0100	4 953	1 706	1 736	8 395	3 561	1 392	1 706	1 736	4 834
Costa Rica	0.0419	16 252	7 242	7 293	30 787	31 969	0	0	(1 182)	(1 182)
Côte d'Ivoire	0.0118	7 654	2 225	2 051	11 930	121	7 532	2 225	2 051	11 808
Croatia	0.0655	33 989	10 131	11 395	55 515	67 363	0	0	(11 849)	(11 849)
Cuba	0.0707	27 703	11 306	12 307	51 316	51 289	0	0	26	26
Cyprus	0.0576	28 696	9 688	10 028	48 412	48 511	0	0	(99)	(99)
Czech Republic	0.3681	134 915	53 942	64 039	252 896	293 584	0	0	(40 689)	(40 689)
Democratic Republic of the Congo	0.0100	5 912	1 706	1 736	9 354	94	5 818	1 706	1 736	9 260
Denmark	0.9680	174 053	170 260	168 416	512 729	512 731	0	0	(2)	(2)
Djibouti	0.0100	4 953	1 706	1 736	8 395	4 277	676	1 706	1 736	4 118
Dominica	0.0100	4 953	1 706	1 736	8 395	2 189	2 764	1 706	1 736	6 206
Dominican Republic	0.0314	0	0	4 092	4 092	1 364	0	0	2 728	2 728
Egypt	0.1153	68 348	24 414	20 055	112 817	122 676	0	0	(9 860)	(9 860)
Equatorial Guinea	0.0100	4 423	1 706	1 736	7 865	94	4 329	1 706	1 736	7 771
Estonia	0.0210	1 991	3 261	3 647	8 899	13 886	0	0	(4 988)	(4 988)
European Community[d]	n.a.	491 544	156 000	160 000	807 544	734 650	0	0	72 894	72 894
Fiji	0.0100	5 361	1 706	1 736	8 803	7 186	0	3	1 614	1 617
Finland	0.7388	431 749	128 145	128 534	688 428	688 439	0	0	(11)	(11)
France	8.2537	5 073 811	1 440 674	1 435 977	7 950 462	7 950 563	0	0	(101)	(101)
Gabon	0.0105	9 476	1 991	1 823	13 290	7 794	1 681	1 991	1 823	5 495
Gambia	0.0100	4 953	1 706	1 736	8 395	458	4 495	1 706	1 736	7 937
Georgia	0.0100	17 856	1 706	1 736	21 298	21 298	0	0	—	0
Germany	11.2351	7 495 776	2 [illegible] 513	1 954 670	11 465 959	11 465 982	0	0	(24)	(24)

States parties	2010 Scale of assessments (percentage)	Contributions assessed: Previous financial periods (1996-2006)	Contributions assessed: Last financial period 2007-2008	Contributions assessed: Current financial period 2009-2010[a]	Contributions assessed: Total[a]	Collections	Contributions outstanding: Previous financial periods[a] (1996-2006)	Contributions outstanding: Last financial period[a] (2007-2008)	Contributions outstanding: Current financial period[a] (2009-2010)	Contributions outstanding: Total[a] outstanding
Ghana	0.0100	5 848	1 706	1 736	9 290	9 368	0	0	(78)	(78)
Greece	0.7807	361 230	131 428	135 826	628 484	628 486	0	0	(2)	(2)
Grenada	0.0100	4 953	1 706	1 736	8 395	7 727	0	0	668	668
Guatemala	0.0419	18 501	7 242	7 293	33 036	33 071	0	0	(35)	(35)
Guinea	0.0100	5 226	1 706	1 736	8 668	94	5 132	1 706	1 736	8 574
Guinea-Bissau	0.0100	4 953	1 706	1 736	8 395	94	4 859	1 706	1 736	8 301
Guyana	0.0100	4 953	1 706	1 736	8 395	9 496	0	0	(1 101)	(1 101)
Haiti	0.0100	5 088	1 706	1 736	8 530	5 247	0	1 547	1 736	3 283
Honduras	0.0100	5 293	1 706	1 736	8 735	8 495	0	0	240	240
Hungary	0.3196	52 487	42 892	55 607	150 986	150 986	0	0	(1)	(1)
Iceland	0.0485	25 977	8 291	8 432	42 700	42 702	0	0	(2)	(2)
India	0.5895	275 199	101 731	102 553	479 483	484 127	0	0	(4 643)	(4 643)
Indonesia	0.2109	137 179	35 363	36 691	209 233	209 236	0	0	(3)	(3)
Iraq	0.0196	53 143	3 627	3 418	60 188	58 660	0	0	1 528	1 528
Ireland	0.5829	219 719	92 645	101 414	413 778	470 096	0	0	(56 318)	(56 318)
Italy	6.6530	4 117 097	1 164 205	1 157 488	6 438 790	6 438 804	0	0	(14)	(14)
Jamaica	0.0131	5 834	2 098	2 279	10 211	10 211	0	0	(0)	(0)
Japan	21.7759	13 414 352	3 752 914	3 784 573	20 951 839	20 952 172	0	0	(333)	(333)
Jordan	0.0157	6 802	2 686	2 735	12 223	12 223	0	0	0	0
Kenya	0.0131	6 439	2 218	2 279	10 936	12 294	0	0	(1 358)	(1 358)
Kiribati	0.0100	2 601	1 706	1 736	6 043	3 629	0	679	1 736	2 415
Kuwait	0.2384	120 311	40 152	41 477	201 940	232 659	0	0	(30 718)	(30 718)
Lao People's Democratic Republic	0.0100	4 181	1 706	1 736	7 623	6 833	0	0	790	790
Latvia	0.0236	3 317	3 848	4 102	11 267	15 922	0	0	(4 655)	(4 655)
Lebanon	0.0445	13 225	6 749	7 748	27 722	23 440	0	0	4 282	4 282
Lesotho	0.0100	0	1 493	1 736	3 229	0	0	1 493	1 736	3 229
Liberia	0.0100	0	213	1 736	1 949	0	0	213	1 736	1 949
Lithuania	0.0406	6 817	6 408	7 065	20 290	20 290	0	0	(0)	(0)
Luxembourg	0.1113	39 824	18 913	19 371	78 108	78 110	0	0	(2)	(2)

States parties	2010 Scale of assessments (percentage)	Contributions assessed				Collections	Contributions outstanding			
		Previous financial periods (1996-2006)	Last financial period 2007-2008	Current financial period 2009-2010[a]	Total[a]		Previous financial periods[a] (1996-2006)	Last financial period[a] (2007-2008)	Current financial period[a] (2009-2010)	Total[a] outstanding
Madagascar	0.0100	3 294	1 706	1 736	6 736	7 469	0	0	(733)	(733)
Malawi	0.0100	0	0	217	217	0	0	0	217	217
Malaysia	0.2489	155 031	45 982	43 301	244 314	273 043	0	0	(28 728)	(28 728)
Maldives	0.0100	3 651	1 706	1 736	7 093	7 914	0	0	(821)	(821)
Mali	0.0100	5 152	1 706	1 736	8 594	8 591	0	0	3	3
Malta	0.0223	11 048	3 615	3 874	18 537	18 538	0	0	(1)	(1)
Marshall Islands	0.0100	4 953	1 706	1 736	8 395	7 107	0	0	1 287	1 287
Mauritania	0.0100	4 953	1 706	1 736	8 395	6 964	0	0	1 431	1 431
Mauritius	0.0144	8 086	2 572	2 506	13 164	14 349	0	0	(1 185)	(1 185)
Mexico	2.9565	988 043	482 824	514 363	1 985 230	1 985 273	0	0	(45)	(45)
Micronesia (Federated States of)	0.0100	4 953	1 706	1 736	8 395	4 398	555	1 706	1 736	3 997
Monaco	0.0100	5 295	1 706	1 736	8 737	8 737	0	0	—	0
Mongolia	0.0100	5 088	1 706	1 736	8 530	8 526	0	0	4	4
Montenegro	0.0100	196	1 706	1 736	3 638	2 853	0	0	785	785
Morocco	0.0550	0	9 009	9 571	18 580	18 581	0	0	(1)	(1)
Mozambique	0.0100	4 755	1 706	1 736	8 197	8 275	0	0	(78)	(78)
Myanmar	0.0100	7 437	2 053	1 736	11 226	12 009	0	0	(783)	(783)
Namibia	0.0100	5 848	1 706	1 736	9 290	6 886	0	790	1 614	2 404
Nauru	0.0100	4 953	1 706	1 736	8 395	479	4 474	1 706	1 736	7 916
Nepal	0.0100	4 402	1 706	1 736	7 844	7 069	0	0	775	775
Netherlands	2.4535	1 331 321	415 956	426 850	2 174 127	2 174 166	0	0	(39)	(39)
New Zealand	0.3353	181 702	55 654	58 341	295 697	326 007	0	0	(30 310)	(30 310)
Nicaragua	0.0100	3 921	1 706	1 736	7 363	6 676	0	0	687	687
Nigeria	0.0629	43 010	10 503	10 939	64 452	64 452	0	0	(1)	(1)
Niue[c]	0.0100	196	1 706	1 736	3 638	4	192	1 706	1 736	3 634
Norway	1.0243	504 868	170 476	178 215	853 559	853 574	0	0	(15)	(15)
Oman	0.0956	46 075	16 708	16 636	79 419	77 562	0	0	1 856	1 856
Pakistan	0.0773	44 885	13 314	13 446	71 645	39 527	5 358	13 314	13 446	32 118
Palau	0.0100	4 846	1 706	1 736	8 288	3 414	1 432	1 706	1 736	4 874

States parties	2010 Scale of assessments (percentage)	Contributions assessed				Collections	Contributions outstanding			
		Previous financial periods (1996-2006)	Last financial period 2007-2008	Current financial period 2009-2010[a]	Total[a]		Previous financial periods[a] (1996-2006)	Last financial period[a] (2007-2008)	Current financial period[a] (2009-2010)	Total[a] outstanding
Panama	0.0301	12 662	4 897	5 242	22 801	38 555	0	0	(15 755)	(15 754)
Papua New Guinea	0.0100	5 575	1 706	1 736	9 017	2 180	3 395	1 706	1 736	6 837
Paraguay	0.0100	10 810	2 293	1 736	14 839	1 892	8 918	2 293	1 736	12 947
Philippines	0.1022	69 672	20 276	17 776	107 724	107 626	0	0	97	97
Poland	0.6563	223 232	112 336	114 176	449 744	548 016	0	0	(98 272)	(98 272)
Portugal	0.6903	323 886	116 376	120 101	560 363	560 373	0	0	(11)	(11)
Qatar	0.1113	19 018	17 354	19 371	55 743	55 745	0	0	(2)	(2)
Republic of Korea	2.8464	1 123 299	462 824	495 220	2 081 343	2 081 350	0	0	(6)	(6)
Republic of Moldova	0.0100	0	1 706	1 736	3 442	4 263	0	0	(821)	(821)
Romania	0.0917	52 898	15 167	15 952	84 017	106 010	0	0	(21 992)	(21 992)
Russian Federation	1.5719	1 164 389	268 566	273 476	1 706 431	1 706 455	0	0	(24)	(24)
Saint Kitts and Nevis	0.0100	4 953	1 706	1 736	8 395	8 714	0	0	(319)	(319)
Saint Lucia	0.0100	4 953	1 706	1 736	8 395	9 506	0	0	(1 111)	(1 111)
Saint Vincent and the Grenadines	0.0100	4 953	1 706	1 736	8 395	6 762	0	19	1 614	1 633
Samoa	0.0100	4 953	1 706	1 736	8 395	8 392	0	0	3	3
Sao Tome and Principe	0.0100	4 953	1 706	1 736	8 395	94	4 859	1 706	1 736	8 301
Saudi Arabia	0.9798	493 927	170 685	170 467	835 079	759 032	0	0	76 047	76 047
Senegal	0.0100	5 635	1 706	1 736	9 077	6 545	0	796	1 736	2 532
Serbia	0.0275	26 422	4 670	4 786	35 878	35 878	0	0	(0)	(0)
Seychelles	0.0100	5 088	1 706	1 736	8 530	7 850	0	0	680	680
Sierra Leone	0.0100	4 953	1 706	1 736	8 395	548	4 405	1 706	1 736	7 847
Singapore	0.4545	228 793	86 048	79 080	393 921	429 169	0	0	(35 247)	(35 247)
Slovakia	0.0825	38 010	13 290	14 358	65 658	83 176	0	0	(17 518)	(17 518)
Slovenia	0.1258	57 919	20 765	21 878	100 562	100 564	0	0	(1)	(1)
Solomon Islands	0.0100	4 558	1 706	1 736	8 000	7 332	0	0	668	668
Somalia	0.0100	4 953	1 706	1 736	8 395	94	4 859	1 706	1 736	8 301
South Africa	0.3799	259 898	68 043	66 090	394 031	369 651	0	0	24 380	24 380
Spain	3.8878	1 952 791	640 178	676 398	3 269 367	3 269 426	0	0	(58)	(58)
Sri Lanka	0.0210	11 388	3 860	3 647	18 895	18 890	0	0	6	6

States parties	2010 Scale of assessments (percentage)	Contributions assessed: Previous financial periods (1996-2006)	Last financial period 2007-2008	Current financial period 2009-2010[a]	Total[a]	Collections	Contributions outstanding: Previous financial periods[a] (1996-2006)	Last financial period[a] (2007-2008)	Current financial period[a] (2009-2010)	Total[a] outstanding
Sudan	0.0131	6 184	2 098	2 279	10 561	1 060	5 124	2 098	2 279	9 501
Suriname	0.0100	4 480	1 706	1 736	7 922	7 922	0	0	(0)	(0)
Sweden	1.4029	844 671	241 644	244 077	1 330 392	1 330 414	0	0	(22)	(22)
Switzerland	1.5928	0	0	241 921	241 921	241 945	0	0	(24)	(24)
The former Yugoslav Republic of Macedonia	0.0100	5 427	1 706	1 736	8 869	8 079	0	0	790	790
Togo	0.0100	5 020	1 706	1 736	8 462	2 676	2 344	1 706	1 736	5 786
Tonga	0.0100	4 953	1 706	1 736	8 395	5 991	0	790	1 614	2 404
Trinidad and Tobago	0.0354	15 402	5 713	6 153	27 268	30 003	0	0	(2 735)	(2 735)
Tunisia	0.0406	23 875	7 368	7 065	38 308	35 170	0	0	3 138	3 138
Tuvalu	0.0100	2 601	1 706	1 736	6 043	5 372	0	0	672	672
Uganda	0.0100	5 361	1 706	1 736	8 803	8 857	0	0	(54)	(54)
Ukraine	0.0589	60 198	9 802	10 255	80 255	80 256	0	0	(1)	(1)
United Kingdom of Great Britain and Northern Ireland	8.7004	4 114 319	1 491 128	1 513 690	7 119 137	7 836 788	0	0	(717 651)	(717 651)
United Republic of Tanzania	0.0100	5 293	1 706	1 736	8 735	8 738	0	0	(3)	(3)
Uruguay	0.0354	43 963	8 832	6 153	58 948	56 278	0	0	2 670	2 670
Vanuatu	0.0100	4 094	1 706	1 736	7 536	683	3 411	1 706	1 736	6 853
Viet Nam	0.0314	10 665	5 251	5 469	21 385	25 215	0	0	(3 830)	(3 830)
Yemen	0.0100	6 745	1 706	1 736	10 187	9 711	0	0	476	476
Zambia	0.0100	5 152	1 706	1 736	8 594	94	5 058	1 706	1 736	8 500
Zimbabwe	0.0105	6 612	1 764	1 823	10 199	2 632	3 980	1 764	1 823	7 567
Total	**100.00**	**54 788 164**	**17 214 700**	**17 515 100**	**89 518 011**	**91 133 041**	**106 834**	**71 257**	**296 242**	**474 332**

[a] Total subject to rounding differences.
[b] Figures in brackets indicate credits being carried forward towards 2011 (€2,089,358).
[c] Not a member of the United Nations; assessed with the floor rate.
[d] Agreed contributions in accordance with the Financial Regulations of the Tribunal. For period 2009-2010, see SPLOS/180.

Appendix IV

Performance reports for grants given to the International Tribunal for the Law of the Sea

(In euros)

A. Korea International Cooperation Agency of the Republic of Korea

(In euros)

	2009-2010
Income	
Grants from the Korea International Cooperation Agency of the Republic of Korea	80 000
Interest income	25
Loss on exchange	-579
Net income	**79 446**
Expenditures	
Internship programme	59 974
International Foundation for the Law of the Sea, summer academy	30 900
Workshops	
Fiji	23 180
General administrative expenses	717
Non-refundable tax claims	157
Total expenditures	**114 928**
Shortfall of income over expenditure	**-35 482**
Assets	
Cash and term deposits	29 955
Accounts receivable	5 249
Total assets	**35 204**
Reserves	
Prior-period reserve	70 686
Shortfall of income over expenditure	-35 482
Total reserves	**35 204**

B. Nippon Foundation

	2009-2010
Income	
Grants from Nippon Foundation	430 000
Interest income	61
Gains and losses on exchange	-60
Net income	**430 001**
Expenditures	
Participants (subsistence allowance, travel and insurance)	226 127
Lecturers (subsistence allowance and travel)	86 126
General administrative expenses	49 139
Non-refundable taxes	590
Obligations	0
Total expenditures	**361 982**
Excess of income over expenditure	**68 019**
Assets	
Cash and term deposits	195 997
Accounts receivables	14 903
Total assets	**210 900**
Liabilities	
Payable accounts	2 758
Net assets	**208 142**
Reserves	
Prior-period reserve	140 123
Excess of income over expenditure	68 019
Total reserves	**208 142**

Appendix V

International Tribunal for the Law of the Sea, Hamburg

Audit procedures and results of additional audit scope for the period from 1 January 2009 to 31 December 2010

According to the assignment, we have audited the following aspects of operating procedures in addition to our audit of the financial statements for the period from 1 January 2009 to 31 December 2010:

(a) Whether expenses incurred during this financial period are in accordance with the appropriations approved by the Meeting of States Parties;

(b) Whether expenditures incurred have been appropriately authorized by the party designated for that purpose in the Rules of the Tribunal or the Financial Regulations and Rules of the Tribunal;

(c) Whether staff and person being paid by the Tribunal have been recruited or engaged in the manner provided for in the Rules of the Tribunal or the Staff Regulations and Rules of the Tribunal;

(d) Whether goods and services have been procured in accordance with the procedures provided for in the Financial Regulations and Rules of the Tribunal;

(e) Whether goods and services that have been procured are necessary or not excessive, with regard to circumstances and the functions of the Tribunal;

(f) Whether the grant given to the Tribunal by the Korea International Cooperation Agency of the Republic of Korea (KOICA) and the Nippon Foundation and the Trust Fund for the Law of the Sea maintained in separate trustee accounts are administered in accordance with the relevant memorandums and terms of reference.

As part of our audit of the financial statements the following additional procedures have been performed by us:

1. **Approval of expenses**

As instructed, we have conducted an audit to determine whether the expenses incurred during the financial period 2009-2010 are in accordance with the appropriations approved by the Meeting of States Parties.

From the approved budget for the financial period 2009-2010, amounting to €17,722,550 (including an additional appropriation of €207,450), a total amount of €15,829,392 was spent against approved budget lines, resulting in savings of €1,893,158 (appendix II). Although the overall budget was underspent, overexpenditures were incurred in some budget lines. The Tribunal was able to finance the overexpenditures by using savings from other budget lines in the same section, in accordance with the financial rule 104.3 of the Tribunal. We refer also to the explanations in the notes to the financial statements and the financial report contained in appendix I.

2. Authorization of expenditures

We have audited the procedures for the authorization of expenditures, as outlined in the Financial Regulations and Rules of the Tribunal, and have conducted tests, on a sample basis, to determine if these procedures have been strictly followed by the Tribunal in all material respects.

As a result of the work done, no significant matter came to our attention. In our opinion, the procedures for the authorization of expenditures were carried out in accordance with the Rules of the Tribunal and the Financial Regulations and Rules of the Tribunal.

3. Procedures for recruiting/engaging staff

In the period 2009-2010, the Tribunal recruited two new staff members. We have conducted an audit to determine if the procedures for recruiting and engaging these two staff members were in line with the Rules of the Tribunal or the Staff Regulations and Rules of the Tribunal.

As a result of the work done, no discrepancies came to our attention. The Tribunal has carried out the procedures for recruiting and engaging staff in accordance with the Rules of the Tribunal or the Staff Regulations and Rules of the Tribunal.

4. Procedures for procurement of goods and services

We have conducted an audit to determine if the procedures followed by the Tribunal in the order process were in line with the Financial Regulations and Rules of the Tribunal (i.e., that they included a request for bids or tenders, fair analysis of tenders and written contracts) and have conducted tests, on a sample basis, to determine if these procedures have been followed by the Tribunal in all material respects.

As a result of the work done, no matters came to our attention. In our opinion, the procedures for procurement of goods and services were carried out in accordance with the Financial Regulations and Rules of the Tribunal.

5. Examination whether goods and services procured are necessary or not excessive, with regard to circumstances and the functions of the Tribunal

We have conducted an audit to determine if (a) the expenditures reported for the financial period have been properly included in the statement of income and expenditures and have been charged to the appropriate budget line; and (b) the goods and services procured were necessary or not excessive with regard to circumstances and the functions of the Tribunal.

The overexpenditures in the financial period could be reasonably explained and were compensated by savings under other budget lines. The equipment acquired during the financial period 2009-2010 is duly registered in the inventory list and is being used as required by circumstances and the functions of the Tribunal.

6. Examination regarding the KOICA grant, Nippon Foundation grant and the Trust Fund for the Law of the Sea

KOICA grant

We have conducted an audit to determine whether the grant given to the Tribunal by KOICA, which is maintained in a separate trustee account, is administered in accordance with the memorandum of understanding dated 9 March 2004.

In the financial period 2009-2010, KOICA contributed an additional amount of €80,000 to the fund.

During the period 2009-2010, the sum of €114,928 was used from the KOICA grant to provide funding for the workshops, summer academy of the International Foundation for the Law of the Sea and the internship programme. Workshops were held in 2009 and 2010, which were organized by the Tribunal in cooperation with the International Foundation for the Law of the Sea, and with the support of KOICA.

The KOICA grant was invested in a special bank account showing a balance, as at 31 December 2010, of €29,995.

We also refer to the performance report of the KOICA grant in appendix IV.

Nippon Foundation grant

We have conducted an audit to determine whether the grant given to the Tribunal by the Nippon Foundation, which is maintained in a separate trustee account, is administered in accordance with the Nippon Foundation grant agreements dated 27 March 2007, 30 March 2008, 3 March 2009 and 3 March 2010.

Pursuant to the above-mentioned agreements, the Nippon Foundation contributed an amount of €400,000 in the period 2007-2008 and €430,000 in the period 2009-2010 to the Nippon Foundation's International Tribunal for the Law of the Sea capacity-building and training programme on dispute settlement under the United Nations Convention on the Law of the Sea. The purpose of the grant is to finance the expenses of participations from developing countries in the programme. The Nippon Foundation Grant was invested in a special bank account.

During the financial period 2009-2010, the sum of €361,982 was withdrawn from the Nippon Foundation grant to provide funding for the programme's activities. In the financial period, participants from several developing countries took part in the programme.

As at 31 December 2010, the special bank account of the Nippon Foundation grant shows a balance of €195,997.

We also refer to the performance report of the Nippon Foundation grant in appendix IV.

Trust Fund for the Law of the Sea

The first contribution to the trust fund, in the amount of €25,000, was made in 2010, as explained in the financial report in appendix I. A special bank account was set up for the trust fund. In 2010, only bank charges, in the amount of €132, had been recorded as expenditures. The special bank account shows a balance of €24,868 as at 31 December 2010.

Appendix VI

General engagement terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms] as at 1 January 2002

[For the text of appendix VI, see SPLOS/192, annex I, appendix VI.]

Annex II

Letter dated 15 March 2010 from the Registrar of the International Tribunal for the Law of the Sea addressed to BDO Deutsche Warentreuhand AG

I am pleased to inform you that the eighteenth Meeting of States Parties has appointed BDO Deutsche Warentreuhand AG as the financial auditor for the period 2009-2012.

Pursuant to this decision, I would like to request you to perform the audit of the Tribunal's account for the period 2009-2010 in accordance with the Financial Regulations and Rules of the Tribunal.

In addition, may I request you to audit the following aspects of operating procedures:

(a) Whether the financial statements of the Tribunal present fairly in all material aspects the financial situation of the International Tribunal for the Law of the Sea;

(b) Whether the expenses incurred during these financial periods are in accordance with the appropriations approved by the Meeting of States Parties;

(c) Whether expenditures incurred have been properly authorized by the party designated for that purpose in the Rules of the Tribunal or the Financial Regulations and Rules of the Tribunal;

(d) Whether staff and persons being paid by the Tribunal have been recruited or engaged in the manner provided for in the Rules of the Tribunal or the Staff Regulations and Rules of the Tribunal;

(e) Whether goods and services have been procured in accordance with the procedure provided for in the Financial Regulations and Rules of the Tribunal;

(f) Whether goods and services that have been procured are necessary or not excessive, with regard to circumstances and the functions of the Tribunal;

(g) Whether the grants given to the Tribunal by the Korea International Cooperation Agency, the Nippon Foundation and the Trust Fund for the Law of the Sea maintained in separate trustee accounts are administered in accordance with the relevant memorandums and terms of reference.

The Deputy Registrar, Mr. Doo-young Kim, and I will be available to discuss and finalize all necessary details and respond to your queries.

(*Signed*) Philippe **Gautier**
Registrar